(c) to (e) Since sanction will mainly apply to new aid commitments, continuing programmes will mostly remain unaffected. However, in conformity with the current policy of the Government, various measures have been initiated to encourage other private captital flows including foreign direct investment and investment by NRIs/OCBs.

The Union Budget, 1998-99 emphasized the need to make India strong and self-reliant and proposed measures to strengthen the foundations of the Indian economy to deal effectively with an inherently uncertain external environment. These include strengthening of the rural, agricultural, and small scale sector; accelerated development of infrastructure sector; special attention to social sector; export revival, and reduced reliance on borrowed funds; ensuring macro-economic stability and control over inflation; raise the rate of domestic savings and supplement it with foreign investment; eliminating bureaucratic hurdles and enhancing productivity.

Assistance to various projects by financial institutions

1429. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state whether Indian Financial Institutions including IDBI have assisted various projects in the States during Seventh Plan and Eighth Plan periods; if so, the details thereof; State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): The Industrial Development Bank of India (IDBI) has reported that financial institutions including IDBI have extended financial assistance to various projects in different States of the country during the Seventh and the Eighth Plan periods. The details of assistance sanctioned and disbursed, state-wise, by all financial institutions during said plan periods are given in Annexure. [*See* Appendix 184, Annexure No. 46]

Farmers under income-tax net

1430. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to bring tfhe farmers into the Income tax net;

(b) if so, by when; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (c) Agricultural income cannot be brought to tax by the Union Government on account of the prohibition contained in entry 82 of the "Union List" (*i.e.* List I) of the Seventh Schedule to the Constitution of India.

However, agricultural income is aggregated with income other than agricultural income for determining the average rate of tax chargeable on income other than agricultural income.

Frauds in branches of Vysya Bank Limited

1431. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 271 given in the Rajya Sabha on 16th July, 1996 and state:

(a) what action has been taken against the officials who passed the cheques whithout verifying specimen signature and issued the cheque books on fake documents bearing bogus signatures;

(b) what progress has been made in the last two cases in Karol Bagh and Chandni Chowk branches; and

(c) if no action has been taken/progress made in the cases, the reasons there-

of and the specific time by which the same will be completed?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (c) RBI has informed that punishments have been imposed by the Management of Vysya Bank Ltd. on the officers found responsible for irregularities on the basis of investigations made by the bank.

Vysya Bank Ltd. is a private sector bank. It is niether feasible nor appropriate for the Government to involve itself in the Management functions of private sector banks. Reserve Bank of India (RBI) as a regulator ensures that the bank conforms to the regulatory framework. In cases having a bearing on the regulatory framework RBI takes appropriate action as the Regulator of the banking system.

Violation of RBI Regulations/Norms by officers of Vysya Bank Limited

1432. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government nad asked Reserve Bank of India in February/March, 1997 to ascertain if the officers and managers in various branches of Vysya Bank Limited had committed any violations of Reserve Bank of India regulations and norms of the bank itself;

(b) if so, whether Reserve Bank of India looked into the same and rendered its report; if so, the action taken by Government in the matter;

(c) whether the officers and managers have not yet been issued any chargesheets; if so, the reasons for the delay; and

(d) whether the management of the Bank is to follow the required law and not show bias against one and favour to others?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) No, Sir. However, the communications received from Members of Parliament and others pointing out the deficiencies in the functioning of private sector banks are forwarded to Reserve Bank of India (RBI) for such action as it considers appropriate having regard to the fact that RBI is a regulator of the banking industry in India. Vysya Bank Ltd. is a private sector bank and it is not feasible for Government to keep itself informed, of the operational and Management functions of such banks. RBI as the regulatory authority of the banking system has to satisfy itself that the Bank is complying with the regulatory requirements.

(b) RBI is not required to submit any report to Government in such matters.

(c) and (d) Vysya Bank Ltd. is a private sector bank and it is niether feasible nor desirable for the Government to involve itself in the management functions of the Bank. As a regulator, RBI ensures that the Bank conforms to the regulatory framework.

विदेशी निवेश को आकर्षित करने के लिए कदम

1433. **श्री जनेश्वर मिश्र:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि हर तरह की छूट देने और आठ साल तक उदारीकरण की राह पर चलने के बाद भी सीधे पूंजी निवेश आमंत्रित करने वाले 10 देशों की सूची में भारत आखिरी देश है और इस मामले में अर्जेन्टीना, चिली और मलेशिया से भी पीछे है; और

(ख) सरकार सीधे पूंजी निवेश को और अधिक आकर्षित करने के लिए क्या कदम उठा रही है?

वित्त मंत्री (श्री यशवंत सिन्हा): (क) विश्व-निवेश रिपोर्ट—1997 के अनुसार 1997 में सर्वाधिक विदेशी प्रत्यक्ष निवेश का अन्तर्प्रवाह प्राप्त करने वाले विकासशील देशों की सूची में भारत का दसवां स्थान था जो अर्जेन्टीना, चिली तथा मलेशिया से पीछे है।